

NEWS

United States Department of Justice
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FOR IMMEDIATE RELEASE
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President of Bus Company Pleads Guilty to Filing a False Employer's Quarterly Federal Tax Return

(More)

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CAMDEN – A bus company president pleaded guilty today to a one-count Information charging him with subscribing to a false Employer's Quarterly Federal Tax Return, U.S. Attorney Christopher J. Christie announced.

Dominick Paglione, 51, of the Villas section in Lower Township, pleaded guilty before U.S. District Judge Joseph E. Irenas, who released the defendant on a \$50,000 bond pending sentencing, which is scheduled for Jan. 25.

At his plea hearing, Paglione stated that as president of Lions Corp., a bus transportation company located in Middle Township, he formed Control Management Inc. to handle the payroll for the bus company's employees. Control Management Inc. was the actual employer of all Lions Corp. employees and paid those employees their wages.

Paglione admitted that on Jan. 30, 2004, on behalf of Control Management Inc., he prepared, signed and caused to be filed, a Form 941 with the IRS that falsely reported the total employee wages subject to employment taxes were \$247,381, and that the total employment taxes due and owing were \$75,569, for the calendar year quarter ending Dec. 31, 2003. Paglione admitted that he knew the actual total employee wages subject to withholding were \$494,284, upon which employment taxes due and owing were in the amount of \$113,345.

Furthermore, Paglione admitted that between March 2001 and March 2006 he subscribed to 14 additional false Employer's Quarterly Federal Tax Returns, which resulted in total tax losses to the IRS of more than \$400,000.

The charge of subscribing to a false Employer's Quarterly Federal Tax Return carries a statutory maximum sentence of three years in prison and a fine of \$250,000.

In determining an actual sentence, Judge Irenas will consult the advisory U.S. Sentencing Guidelines, which provide appropriate sentencing ranges that take into account the severity and characteristics of the offense, the defendant's criminal history, if any, and other factors. The judge, however, is not bound by those guidelines in determining a sentence.

Parole has been abolished in the federal system. Defendants who are given custodial terms must serve nearly all that time.

Christie credited Special Agents of the Internal Revenue Service Criminal Investigation Division, under the direction of Special Agent in Charge William P. Offord, with the investigation leading to the guilty plea.

The government is represented by Assistant U.S. Attorney R. Stephen Stigall, of the U.S. Attorney's Criminal Division in Camden.

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Defense Attorney: Michael S. Adelman, Esq. Cherry Hill